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Atari Online News, Etc.
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->From the Editor’s Keyboard "Saying it like it is!"
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Summer is officially here, and the 4th of July is just around the corner. Where has the time gone?? I remember the first couple of months of this year because it was the winter that wasn’t, but after that, the time just seemed to have flown by. Not really because of all of the tragedies, but it is difficult to realize it’s almost July!

How about the news headlines lately? Obamacare survives a Supreme Court surprise; Obama gets a political reprieve! Bullying continues to be a problem despite national headlines and videos! Arizona immigration rules struck down! No more Katie and Tom!! What next?

Until next time...

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->In This Week’s Gaming Section - Atari’s 40 Years of Gaming!
""""""""""""""""""""""""""""""""" Sega Closes Some Offices!
Exergames Not a "Cure"!
And much more!

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->A-ONE’s Game Console Industry News - The Latest Gaming News!
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Sega Closes European and Australian Offices In Restructure

Sega has announced that it is closing its European and Australian offices in a global restructure.

Koch Media has been brought in as a distribution partner for the European territories, with the exception of Benelux, which will be handled by

Level03 Distribution. Australia will be serviced by Five Star Games, a new company founded by the ex-Managing Director of Sega Australia Darren Macbeth. Sega UK, meanwhile, will remain open as the publisher's European HQ.

COO of Sega Europe Jurgen Post had this to say: Sega is entering a new and exciting phase that will position the company as a content led organisation maximising sales with strong and balanced IP such as Sonic the Hedgehog, Total War, Football Manager and the Aliens franchise. The company will benefit from a clear focus and realigned strategy for our digital business and packaged goods and we are confident that this will lead to a successful future.

This is the latest move in a massive restructure of the company that affected the American offices earlier this year, after Sega posted a loss of £54 million (about $86 million) for the end of the last financial year.

First 'Skyrim' Expansion Lands on Xbox 360

The first expansion for role-playing game Skyrim arrives on Xbox 360 on June 26, with Dawnguard ushering in a vampire invasion.

Players must choose between joining the vampires or the vampire hunters, with new weapons, home locations, and character perks that come with the territory.

It's the English-language version of Dawnguard that's being released first, at 1,600 Microsoft Points (~ $20 / 19 / £14).

French, Italian, German and Spanish-language equivalents are to follow mid-July. For now, those versions of the game are able to receive the game's 1.6 update, which implements mounted combat as well as a range of general bug fixes.

The Xbox 360 gets to keep Dawnguard as a timed platform exclusive for 30 days before PC and PlayStation 3 owners are invited to join in.

Exergames Don t Cure Young Couch Potatoes

Getting our sedentary, overweight children off the couch is a challenge. That s why the Nintendo Wii game console, which arrived in the United States six years ago, was such an exciting prospect. It offered the chance for children to get exercise without even leaving the house.

Tennis was one of the games in the Wii Sports software that came right in the box with the console. This was the progenitor of exergames, video games that led to hopes that fitness could turn into irresistible fun.

But exergames turn out to be much digital ado about nothing, at least as far as measurable health benefits for children. Active video games distributed to homes with children do not produce the increase in physical activity that naïve parents (like me) expected. That s according to a study undertaken by the Children s Nutrition Research

Center at Baylor College of Medicine in Houston, and published early this year in Pediatrics, the official journal of the American Academy of Pediatrics.

Previous studies have shown that adults and children who play active video games, when encouraged in an ideal laboratory setting, engage in moderate, even vigorous physical activity briefly. The Baylor team wanted to determine what happened when the games were used not in a laboratory, but in actual homes.

The participants in this study were children 9 to 12 years old who had a body mass index above the median and whose households did not already have a video game console. Each was given a Wii. Half were randomly assigned to a group that could choose two among the five most physically demanding games that could be found: Active Life: Extreme Challenge; EA Sports Active; Dance Dance Revolution; Wii Fit Plus; and Wii Sports. The other half could choose among the most popular games that are played passively, like Disney Sing It: Pop Hits and Madden NFL 10.

The participants agreed to wear accelerometers periodically to measure physical activity over the 13-week experiment. To observe how well the intrinsic appeal of active games changed children s behavior, the researchers distributed the consoles and games without exhortations to exercise frequently.

They found no evidence that children receiving the active video games were more active in general, or at any time, than children receiving the inactive video games.

How is it possible that children who play active video games do not emerge well ahead in physical activity? One of the authors of the Pediatrics article, Anthony Barnett, an exercise physiologist who is a consultant at the University of Hong Kong, explains that the phenomenon is well known in the field.

 When you prescribe increased physical activity, overall activity remains the same because the subjects compensate by reducing other physical activities during the day, he says.

Changing sedentary behavior is extremely difficult, says Dr. Charles T. Cappetta, an executive committee member of the American Academy of Pediatrics Council on Sports Medicine and Fitness. It may seem that active video games are an easy solution to getting kids off the couch, he says. But as this study and others show, they do no such thing.

He says that live sports   the kind that are outside of the home, without controllers and television monitors   remain the gold standard to get cardiovascular benefit.

Last year, the Journal of Strength and Conditioning Research published a small-scale study of use of the Wii Fit by adults and children in homes over three months and its impact on physical activity and fitness.

 When the Wii Fit was introduced in 2008, it targeted fitness instead of just entertainment, says Scott G. Owens, an associate professor of exercise science at the University of Mississippi and the lead author. This caught our attention. Anything that comes out that might help kids be more physically active would be of interest to us.

Professor Owens and his colleagues offered Wii Fit games to eight

households that responded to advertisements seeking study participants. Before the games arrived, the researchers used accelerometers to set the baseline of the participants physical activity and ran fitness tests. Measurements were taken again six weeks and 12 weeks after.

 A major finding was the dramatic drop in daily use after the first six weeks, Professor Owens says. The Wii Fit was used an average of 22 minutes a day by everyone in the household in the first six weeks, but only four minutes a day in the second six weeks. At the end, health-related fitness measures were essentially unchanged.

Professor Owens says he presented the findings at the 2010 meeting of the Games for Health <http://www.gamesforhealth.org/> conference, which focuses on video games. The academics who presented at the meeting tended not to be surprised by our findings. But the exergame developers and marketers were disappointed, I think.

Asked about this study and the one at Baylor, a Nintendo spokesman issued this statement: While Nintendo does not make any health claims with active-play games like Wii Sports and Wii Fit Plus, we hope that the games encourage users to be more physically active. They are designed to get people up off the couch and to have fun.

For physical activity that brings measurable health benefits, kids need things like real balls, real rackets and real courts.

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->A-ONE Gaming Online - Online Users Growl & Purr!
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Pong! Atari Marks 40 Years of Gaming

When people talk about the beginnings of the video game industry, one name invariably bubbles to the top: Atari.

The video arcade and console company was formed 40 years ago Wednesday, although the games and consoles from its late ’70s-early ’80s heyday continue to evoke memories from gamers today.

In 1972, Nolan Bushnell and Ted Dabney were looking to produce an electronic tennis game to be called "Pong." They formed Atari Inc. on June 27 of that year and released the black-and-white tennis game five months later. The gaming world hasn’t been the same since.

"Pong’s" primitive, two-dimensional graphics look ridiculous now, but it was an immediate hit and is considered the first commercially successful video game.

But Atari’s more lasting contribution to living-room entertainment may have been the Atari VCS, more commonly known as the Atari 2600. The home video-game console launched in 1977 and sold more than 30 million units before being discontinued in 1992 according to a Business Week report.

Many people credit the Atari 2600 as their gateway into the world of electronic gaming.

"While I had dabbled with the NES at a friend’s house and Apple II titles at my uncle’s, this was the first console that was mine," said Matt Paprocki of Toledo, Ohio. "It sucked me in and kept me there. I doubt any parent knows how important a little console that plays video games can be, or what it can do for someone’s life. It’s a path I started on and stayed on well into my adult life, all because of that faux wood box fitted with ungainly switches."

"You never forget your first love!" said Matt Thebert of Lawrenceville, Georgia. "But it also was the beginning of a whole era of populist electronics and computing where you could have in your home, finally, a computer and video games. Which as a kid meant I could explore these worlds from my home, not from a computer lab or, at that time, the public library, where we would reserve time in one-hour chunks on the Apple IIe to play ’Zork’ in its amber glory."

Atari Inc. was sold to Warner Communications in 1976 as Bushnell looked for help marketing his home console. The company began developing other systems - The Atari 400, 800 and 5200 - but were never able to duplicate the success of the Atari 2600 console.

Many say it offered a new way to interact with family and friends.

"All of my cousins loved it because we could root for the ones that were playing," said Willie Jefferson Jr. of Houston. "Plus, we knew we’d get a chance to play in a few minutes. The 2600 cemented gaming into my fabric."

"It meant a lot, now that I think about it," said Jason Konoza, from Edmonton, Canada. "Personal interaction and socializing. The hours spent playing ’Space Invaders’ together, or ’Home Run’ or ’Circus Atari’ against each other. My best friend Mark and I would write down our high scores for ’Frostbite’ and keep them in the box."

But in the early 1980s, the company’s missteps ultimately sealed its downfall as Atari Inc.

The biggest and most publicized was the release of "E.T. the Extra-Terrestrial" and a port of the arcade version of "Pac-Man," two games that were widely lambasted by critics for poor game play and design.

"Sadly, looking back, it seems like the 2600 could have been the best thing in gaming, by bringing it into so many households," said T.J. Lauerman of Teaneck, New Jersey. "But also a tragedy that could have killed home gaming as we know it after the ’E.T.’ debacle."

By 1984, Atari Inc. was technically no more. Warner Communications divided the company, selling off parts as the video game market crashed with a glut of poorly designed games. The Atari name has changed hands several times since and is now in the hands of Infogrames as a wholly owned subsidiary, as of 2008.

That company, renamed Atari, SA in 2010, has recently focused its efforts on mobile and social gaming, releasing Atari titles for the iPhone and iPad. Bushnell rejoined the company in 2010 to sit on its board of

directors, reconnecting Atari with its past.

In recent years, longtime fans have posted comments online voicing their frustrations with what they consider to be the misuse of the Atari name as a tool to for easy profits.

Atari says they are listening.

"Atari’s fans are an incredibly passionate group, and the current team at Atari understands that there has been negative sentiment about how the brand had been used as part of a retail distribution business for third party console games. And, frankly, many of them resulted in low ratings." the company said in a statement.

"Over the past few years, we’ve decided to exit that business and focus our efforts on restoring the real values behind the Atari brand. We believe the success of this new initiative lies in the mobile games business, as evidenced by the critical and commercial success of some of our more recent titles."

The company also points to its Pong Indie Developer Challenge, a developers’ competition seeking a reimagined version of "Pong" for Apple’s mobile devices. The winner will receive $50,000 and will be announced August 2.

Atari calls the challenge an example "of our commitment to making new games based on our core IP that, like the original hits, are fun, "easy to learn but difficult to master."

However, one of the enduring legacies of the Atari name remains the Atari 2600 console, the black box with the faux wood stickers.

"As it was my first introduction to gaming for me personally, it was a groundbreaking time in gaming and I think it should be listed in the Top 5 of video game consoles," said Nikki Rau-Baker of Atlanta.

"It’s the system that kicked off the gaming revolution," Jefferson said. "It made the way for the PS3, 360 and Wii - and beyond."

Today, most Atari 2600s are collecting dust in attics or buried in landfills. But some gamers are still able to enjoy the console’s 8-bit graphics and retro music 40 years later.

"I still have my original working Atari 2600 console," said Konoza of Edmonton. "Sometimes I need a break from playing games with a controller with 14 different buttons, dual analog sticks, and full motion control. Just holding a simple joystick, knowing that I can master a game using one button, brings comfort to me.

"In a complicated world, you need a little dose of simplicity."

Iconic Atari Turns 40, Tries To Stay Relevant

A scruffy, young Steve Jobs worked at Atari before he founded Apple. "Pong," one of the world’s first video games, was born there, as was "Centipede," a classic from the era of quarter-guzzling arcade machines. "Call of Duty" creator Activision was started by four of Atari’s former

game developers.

The iconic video game company turns 40 years old this week, much slimmer these days as it tries to stay relevant in the age of "Angry Birds" and "Words With Friends."

But Atari’s influence on today’s video games is pervasive.

Although it wasn’t the first company to make video games, Atari was the first to make a lasting impression on an entire generation. At arcades or at video game bars such as Barcade in the trendy Williamsburg section of Brooklyn nostalgic patrons still gather around such Atari classics as "Asteroids," ’’Joust" and "Centipede."

The Atari 2600, launched in 1977, was the first video game console in millions of homes, long before the Nintendo Entertainment System (1985), Sony’s PlayStation (1994) and Microsoft’s Xbox (2001).

Today’s younger iPhone gamers might not remember how "Pong," that simple, two-dimensional riff on Ping-Pong, swept across living rooms and arcades in the 1970s. But they might recognize elements of it in easy-to-learn, hard-to-master games based on simple physics among them, "Angry Birds."

"For tens of millions of Gen X-ers, or kids who grew up in America in the ’70s and ’80s, Atari is a cultural icon, an intrinsic part of childhood," says Scott Steinberg, tech analyst and author of "The Modern Parent’s Guide to Kids and Video Games."

"Pong," he adds, was in some ways the very first social video game, one designed to play in bars, at home or at an arcade, while spectators crowded around to watch the action.

Launched in 1972 from Atari’s Silicon Valley headquarters, "Pong" featured a basic black-and-white screen (that’s black and white only, no shades of gray here), divided by a dotted line. Short white lines on either side stood in for paddles. Two players controlled them and tried to get a moving dot the ball past their opponent.

With "Pong," Atari introduced video games to the masses just as Apple and Microsoft ushered in the personal computer era by bringing computers to people’s desktops in the 1980s.

"It makes me think that I am getting really old," says Nolan Bushnell, the co-founder of Atari. "I’m 69, which means I was 29 when I founded Atari. It seems really young in retrospect."

It doesn’t take much effort these days to see 20-something entrepreneurs in technology. Mark Zuckerberg was just 19 when he started Facebook in his Harvard dorm room. But back in the early ’70s, Bushnell said, "no one in their 20s started companies. In some ways it paved the way for Apple, Microsoft and those guys."

Bushnell said Atari succeeded early on because it nurtured ideas from its engineers and computer programmers.

"We dominated not because of our manufacturing and marketing prowess but because of creativity," Bushnell says. "The lasting legacy: That creativity is a real weapon. And in some ways Apple has shown that as well."

Jobs was just 19 when Atari hired him as a technician, making $5 an hour. He worked the night shift because many of his co-workers didn’t get along with him and didn’t appreciate his refusal to wear deodorant, according to Walter Isaacson’s recent biography of the late Apple chief executive.

He wasn’t there for long he left the company in 1974 to travel to India and co-founded Apple two years later, in 1976.

Dona Bailey, one of the creators of "Centipede," recalls a notebook that Atari had with maybe 30 ideas for games in it.

"Most of them were laser games," says Bailey, who was the only female programmer in Atari’s arcade division when she was hired in 1980 and when she left in 1982. "I wasn’t really interested in war, or lasering anything, or violence."

The only ideas in the notebook that didn’t have to do with "lasering things or frying things" were two sentences about a multi-segmented insect that walks out on the screen and winds its way down the screen toward the player, she says. There was implicit shooting, as the player at the bottom had to destroy the insect before getting hit by it, but "it didn’t seem that bad to shoot a bug."

Thus, "Centipede" was born.

Atari, Steinberg says, pioneered a lot of the concepts that are popular in gaming today: Games should be for both men and women, and they should be social by allowing many people to compete with each other.

Atari "defined games as not just a product but a social movement," Steinberg says.

But there is a generational divide. For kids born in the ’80s and later, Atari elicits a respectful nod as a retro video game icon at best and a clueless shrug at worst.

"It may rise again, but it remains to be seen whether Atari’s place is among retail giants (such as) Activision and Electronic Arts," Steinberg says, "Or in a future that is defined by its own past."

Activision, which now makes such hit games as "Call of Duty" and "Diablo III," was founded in 1979 by four disgruntled Atari game designers who wanted more recognition for their work.

As Activision’s future rose, Atari’s faltered. Having cemented video games as a form of mass entertainment, Atari was sold to Warner Communications Inc. in 1976 and began to pile up big losses.

Warner, now part of Time Warner Inc., discontinued the Atari 2600 and fired Bushnell, says Stephen Jacobs, professor of interactive games and media at the Rochester Institute of Technology in Rochester, N.Y.

Meanwhile, several companies tried to capitalize on Atari’s success, but flooded the market with terrible products. It was a gold rush, with little gold to be had.

Atari contributed to that decline in quality with "E.T. the Extra-Terrestrial," still considered one of the worst video games ever made and that’s being generous.

"They tried to push something out in six weeks," Jacobs says. "They pushed out a million units of a horrible game that they were sure was just going to be the bomb. And it ended up tanking Atari."

That was the Christmas of 1982. What followed is now referred to as the "great video game crash of 1983." People stopped buying video games.

Companies began collapsing and Atari was soon sold to a man named Jack Tremiel. Over the next decade, Atari made computers, a game console called Jaguar and a handheld game machine called the Lynx. None were hits.

Atari was then passed to the toy company Hasbro, then to Infogrames Entertainment, a French company that owns it today.

Recognizing the promise of mobile devices and its best-known titles, Atari today makes such phone games as "Centipede: Origins" and "Breakout Boost," a take on the game Steve Jobs worked on back in the day.

"The legacy is that Atari is essentially where it all began," says Jim Wilson, the company’s current CEO.

So is Atari living off its legacy?

"To a certain point almost all entertainment companies are doing a bunch of living on their legacy. That’s why we have ’sequel-itis’ in triple-A games, movies, books," Jacobs says. "Why invest in new things when you can beat the old things to death and still make money out of them?"

Woman Behind ’Centipede’ Recalls Game Icon’s Birth

Dona Bailey was working as a computer programmer at General Motors when she heard the Pretenders song "Space Invader" and fell in love with it. The year was 1980. She had no clue about video games.

A friend heard her say that she liked the song, and he got really excited. He told her there was a "Space Invaders" game at a bar nearby. They went to lunch so she could see what that song was about.

"He gave me a quarter and I lost all my lives before I could even figure out what I was supposed to do on the screen," she says. "But I got really intrigued."

That’s how she came to join Atari, the company that cemented the video game industry in the 1970s and early 1980s with "Pong," and thanks in part to Bailey, "Centipede." Though she stayed only two years, Bailey left her mark as one of the rare female programmers at Atari.

There wasn’t any "Googling" in those days. Finding out more about the world of "Space Invaders" and arcade games meant asking around.

"Within a month or so, I heard about Atari," she says. She found out that the company, founded 40 years ago this week, was using the same Motorola processor to program games that she was using at a GM plant in Santa Barbara, Calif., to program climate-control displays in cars.

She was hired at Atari in 1980 as the only female programmer in its nascent arcade division. When she left a much-larger Atari two years

later, she was still the only one in that division, and one of the few in the entire company.

It would be tempting to say women have come far since then, and in some ways that is the case. It’s rare today to have just one token female engineer at a tech company.

Yet three decades later, there’s still a dearth of female programmers in Silicon Valley and beyond. Much of that goes back to education. Women receive fewer than a fifth of the bachelor’s degrees awarded in computer science, even though they get nearly 60 percent of all bachelor’s degrees, according to the National Science Foundation. In 1980, 30 percent of the computer science degrees went to women.

Trailblazers such as Bailey often found themselves alone in a sea of men, giving them a peek at male culture that few women had access to.

"It was interesting to see how a male society functioned," she says. "It was kind of rough sometimes, too. It was a culture that I don’t think they were thinking ’there is one woman, we should modify our behavior for her sake’ ... I grew a thicker skin."

She recalls a notebook that Atari had at that point, filled with ideas for about 30 game projects. The only idea that she didn’t find violent was a short, two-sentence description about a multi-segmented insect that walks out on the screen and winds its way down toward the player.

"The shooting part was left kind of implied because if the multi-segmented insect is the bad thing and the player is at the bottom, you kind of have to shoot," she recalls. "But it didn’t seem that bad to shoot a bug."

The idea of the game appealed to Bailey, so she began work on the "Centipede" project. She was the software engineer on the four-person team. There were no books, no tutorials, "no place to go when you needed help," she says.

"Centipede" came out in 1981. To play, you popped in a quarter and used the arcade’s joystick to move your character at the bottom of the screen. You shoot the centipede as it winds its way down the screen, along with the occasional spider.

"I always thought it was really beautiful, like a shimmering jewel when you walked into the arcade," Bailey says.

Bailey worked on one other game after "Centipede," but it never came out. Because processors were so limited at the time, she couldn’t make the game look and do all the things she wanted. She left Atari soon after that, at 26.

Today, Bailey teaches rhetoric and writing at the University of Arkansas at Little Rock. She lost contact with Atari until about a decade ago, when there was renewed nostalgic interest in the company. Books came out, and she had a few interviews, she recalls. Students in her class made a Wikipedia page for her.

"As a highly successful arcade game produced by Atari, Centipede also earned a name for itself for being the first game to begin luring women into the video arcades across the United States," one sentence reads. Someone added the note "citation needed."

Atari turned 40 this past Wednesday.

"I hadn’t realized that it was 40 years," she says. "Centipede came out 31 years ago, which seems long enough. ’40 years of fun’ is the greatest slogan, but it made me gasp. So much of it seems like yesterday."

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A-ONE’s Headline News
The Latest in Computer Technology News
Compiled by: Dana P. Jacobson

Cybercrime Disclosures Rare Despite New SEC Rule

Hackers broke into computers at hotel giant Wyndham Worldwide Corp. three times in two years and stole credit card information belonging to hundreds of thousands of customers. Wyndham didn’t report the break-in in corporate filings even though the Securities and Exchange Commission wants companies to inform investors of cybercrimes.

Amid whispers of sensational online break-ins resulting in millions of dollars in losses, it remains remarkably difficult to identify corporate victims of cybercrimes. Companies are afraid that going public would damage their reputations, sink stock prices or spark lawsuits.

The chairman of the Senate Commerce, Science and Transportation Committee, Sen. Jay Rockefeller, D-W.Va., is adding a provision to cybersecurity legislation that would strengthen the reporting requirement. The SEC’s cybersecurity guidance issued in October is not mandatory. It was intended to update for the digital age a requirement that companies report "material risks" that investors want to know.

Rockefeller’s measure would direct the SEC’s five commissioners to make clear when companies must disclose cyber breaches and spell out steps they are taking to protect their computer networks from electronic intrusions.

"It’s crucial that companies are disclosing to investors how cybersecurity risks affect their bottom lines, and what they are doing to address those risks," Rockefeller said Friday.

The SEC recently challenged Internet retailer Amazon’s decision to omit from its 2011 annual report references to the online theft of customer data held by Zappos, an online shoe company owned by Amazon. Amazon eventually agreed to modify the statement slightly, according to correspondence between the company and the SEC. But the company still argued that the Zappos attack was not covered by the commission’s cybersecurity guidance because it had no material impact on Amazon’s business.

Cybercrime is rampant and not confined to the United States. The head of Britain’s domestic spy agency said this week that cybersecurity ranks alongside terrorism as one of the United Kingdom’s most pressing security challenges. In one recent case, an unspecified, London-listed company hit

by a cyberattack incurred revenue losses of $1.2 billion, MI5 Director General Jonathan Evans said in rare public remarks in London. He did not identify the company or say which country was behind the attack. The U.S. has said China and Russia are the governments most frequently engaged in such hacking.

"What is at stake is not just our government secrets but also the safety and security of our infrastructure, the intellectual property that underpins our future prosperity, and the commercially sensitive information that is the lifeblood of our companies and corporations," Evans said.

Research by a cybersecurity expert shows dozens of Fortune 500 companies have lost a wide range of valuable information to cybercrimes, including intellectual property, bank account credentials, restricted data about patients of pharmaceutical companies and internal legal records.

Rodney Joffe of Neustar, an Internet infrastructure management company in Virginia, monitors networks used by online criminal groups and traces the origin of stolen information. He found evidence that 162 out 168 companies in the manufacturing, chemical and transportation sectors had been compromised. The names of the companies are being kept confidential for proprietary reasons, he said.

"No one is safe. Everyone is compromised," said Joffe, Neustar’s senior technologist. "When people tell you, ’We are protected as a company,’ they are really fooling themselves."

The SEC isn’t tracking how many companies comply with its cybersecurity guidance. But publicly traded companies historically have resisted supplying information about cyber incidents because it highlights their weak spots, said Peter Toren, a former federal prosecutor with the Justice Department’s computer crime division.

"It just doesn’t look good," Toren said.

The breach of Wyndham’s computers was described in a Federal Trade Commission lawsuit filed this week against the company and three subsidiaries for alleged security failures that led to the three data breaches between April 2008 and January 2010. The failures caused "the export of hundreds of thousands of consumers’ payment card account information to an Internet domain address registered in Russia" and millions of dollars in fraudulent charges on consumers’ accounts, the FTC said.

Wyndham didn’t mention the break-ins in its 2011 annual report or prior securities filings, according to an Associated Press review of the records.

Wyndham’s 2011 annual report said the "hospitality industry is under increasing attack by cyber-criminals in the U.S. and other jurisdictions in which we operate" and noted that it was involved in "claims relating to information security and data privacy." Wyndham spent $13 million more on security improvements and expects to spend as much as $100 million in 2012 to guard against "the increasingly aggressive global threat from cyber-criminals," according to the report.

Wyndham said in an emailed statement to The Associated Press that it "fully complied with SEC regulations in regards to the disclosure of material events." In the statement, Wyndham said the incidents were

"previously reported," an apparent reference to notices to consumers that were published on the company's website. The company also said the FTC's claims were without merit.

Network infrastructure company Verisign reported in late October, just a few weeks after the SEC issued the guidance, that there had been several successful cyberattacks against its corporate networks in 2010. In the filing, Verisign said the company's management had not been informed of the attacks until September 2011.

LinkedIn, the online networking service, publicly announced on June 12 the online theft of 6.5 million user passwords. It said the announcement complies with its obligations to the SEC, but it has yet to file a report about the incident with the commission.

The new SEC guidance puts pressure on companies to decide whether to disclose a breach or keep it secret, said Jody Westby of Global Cyber Risk, a consulting firm. But she said the demand for information amounts to locking the door after the house has been robbed.

"The SEC would have done better to require all public companies to say whether they've taken actions to implement a security program," Westby said.

U.S. Charges 24 People in Massive Hacking Sting

U.S. law enforcement officials on Tuesday said 24 suspected hackers had been arrested in a sting operation spanning four continents that targeted online financial fraud of stolen credit card and bank information.

In a two-year investigation, FBI agents posed as hackers on Internet forums, watching as other hackers swapped methods for breaching data security walls and creating fake credit cards that would work for Internet and in-person purchases.

The probe prevented $205 million in possible losses on over 411,000 compromised consumer credit and debit cards, U.S. authorities in New York said.

Eleven people were arrested in the United States, the Federal Bureau of Investigation and the Manhattan U.S. Attorney's office said. The thirteen others were arrested in countries from Britain to Japan, the authorities said. Officials in Australia also conducted searches.

"Clever computer criminals operating behind the supposed veil of the Internet are still subject to the long arm of the law," Manhattan U.S. Attorney Preet Bharara said.

During the operation, the FBI said, it not only monitored the hackers' activities but also contacted "multiple" people and institutions hit by the hackers and showed them how to repair their security breaches and protect themselves in the future.

No credit card companies or banks were named in Tuesday's court documents.

The 24 people arrested were all men aged 18 to 25. Some face up to 40 years or more in prison if convicted on conspiracy to commit wire fraud

charges and access device fraud charges.

The FBI operation centered around a "carding forum" that it had secretly created in June 2010, and was in charge of running unbeknownst to its participants, authorities said.

The forum, called "Carder Profit," was essentially an online market for registered users to exchange stolen account numbers. It was shut down in May.

Two people were arrested in the New York area and were later released on bail after appearing in Manhattan federal court.

One of the men, Mir Islam, known online as "JoshTheGod," was charged with trafficking in 50,000 stolen credit card numbers. Authorities said Islam had admitted to helping emerging hacker outfit UgNazi, which said it had launched a cyber attack against the microblogging platform Twitter last week.

Islam, 18, who lives in the New York borough of the Bronx, appeared before U.S. Magistrate Judge James Francis in flip-flop sandals and jeans. His parents, who are from Pakistan, watched the proceeding from a back bench. Islam was released on a $50,000 bond.

Fellow Bronx resident Joshua Hicks, 19, also known as "OxideDox," was charged with one count of access device fraud. Wearing red basketball shorts, Hicks was released on a $20,000 bond after a brief hearing before the same judge.

Meanwhile on Tuesday, the U.S. Federal Trade Commission filed a complaint against Wyndham Worldwide Corp and three subsidiaries, alleging that the hotel operator failed to keep customer data secure.

That failure resulted in the theft of hundreds of thousands of consumers payment card numbers, which were sent to an Internet address registered in Russia and $10.6 million in fraudulent charges, according to the complaint.

The cases are U.S. v Joshua Hicks and U.S. v. Mir Islam, U.S. District Court for the Southern District of New York, Nos 12-1639 and 12-1701

The Battle Isn t Over for Kim Dotcom

Megaupload s found scored a victory recently when the raid against his mansion was determined to be illegal, but suspected Internet piracy kingpin Kim Dotcom still faces an uphill battle. While the case against him has weakened, Dotcom is stilling fighting an extradition motion that could see him moved from New Zealand to the United States to face trial. If the extradition relies on the content obtained from the illegal raids on Dotcom s mansion, however, prosecutors may run into more problems than once thought.

The U.S.-based lawyer for Megaupload said the rulings were a tremendous blow against the online piracy charges asserted against Dotcom and three others, Reuters reported. The government was engaged not only in wrongful conduct but in double wrongful conduct: they weren t allowed to go ahead and do the initial seizure (and) they violated the law again by bringing

them (hard drives) offshore when they weren t allowed to, Dotcom s lawyer, Ira Rothken, said on a New Zealand radio station.

Rothken hopes a U.S Federal Court will dismiss Megaupload s case on the grounds that it operated out of Hong Kong, and release the company s assets. Under New Zealand law, in order to face extradition the alleged offences must be an offence in both countries, punishable by a jail sentence. The extradition hearing for Dotcom and his three co-accused is set for August.

Google Sells Small Tablet, Challenges Kindle Fire

Google unveiled its attempt to catch up to Apple and Amazon in the growing market for tablet computers. It also provided a titillating glimpse at its vision of a digital future through the mind-boggling lens of Internet-connected glasses.

The debut of a long-anticipated tablet computer bearing Google’s brand and equipped with its latest operating software kicked off an annual conference for about 6,000 computer programmers.

Although the tablet drew plenty of applause, the biggest crowd-pleasing moment came near the end of a nearly two-hour performance Wednesday when Google conjured a scene worthy of a "Mission Impossible" movie.

After Google co-founder Sergey Brin trotted on stage during the middle of a presentation, he cut away to a live video feed showing a group of skydivers the company hired to jump out of a blimp hovering about 7,000 feet above downtown San Francisco.

The skydivers were wearing a pair of Internet-connected glasses. That allowed the audience inside to see what the skydivers were seeing as they parachuted on to the roof of the building where the conference was being held.

The glasses are still a work in progress, although Google gave U.S. programmers attending the conference a chance to order a $1,500 prototype that they can start experimenting with early next year.

The Google-branded tablet, called the Nexus 7, will start shipping next month in a direct challenge to Amazon.com Inc.’s Kindle Fire. The tablet also could appeal to consumers looking for a less expensive, less sophisticated alternative to Apple Inc.’s iPad.

The Nexus 7 is designed specifically for Google Play, an online store that sells movies, music, books, apps and other content. That mirrors Amazon’s strategy with the Kindle Fire, although Amazon’s strength in online retailing has seeded its store with a more extensive selection than Google Play. Amazon declined comment.

The size and price of the Nexus 7 also matches the Kindle Fire. Both have 7-inch screens and sell for $199. The Nexus 7 is slightly lighter at about 0.75 pound, compared with the Kindle Fire’s 0.9 pound.

By contrast, the iPad’s screen measures nearly 10 inches diagonally and weighs 1.44 pounds. Apple sells its latest models for $499 and up, though an older version is available for $399.

Customers can start ordering the Nexus 7 through Google on Wednesday, initially in the U.S., Canada and Australia. The device won't ship until mid-July.

Google's announcement that it's putting its brand on a tablet comes a week after Microsoft Corp. did the same thing. Both moves risk alienating Google's and Microsoft's hardware partners. Those companies, in turn, could be less inclined to work closely with Google and Microsoft.

The Nexus 7's price looks like a relative bargain, given that it boasts more features than the Kindle, including a front-facing camera with 1.2 megapixels. The Kindle is believed to be a roughly break-even product for Amazon at $199. Samsung Electronics Co. sells a tablet similar to Google's for $250.

Andrew Rassweiler, an analyst with IHS iSuppli, said he suspects Google will be selling the Nexus 7 at a loss.

Google has previously put its own brand on a flagship line of "Nexus" smartphones. But that market is more mature than the tablet market, and there was less risk of Google alienating partners, particularly because it didn't price the phones lower than the norm.

Much like the Nexus phones, the Nexus 7 tablet will be a showcase for a new version of Google's Android operating system this one called Jelly Bean.

Although the tablet carries the Google brand, the machine will be made by AsusTek Computer Inc. Google recently expanded into the device-making business with its $12.5 billion purchase of Motorola Mobility, but the company has stressed that it intends to continue to rely on Asus and other manufacturers that have embraced Android.

Jeff Orr, an analyst with ABI Research, said Microsoft's announcement of its Surface tablet last week and Google's Nexus 7 add up to a "troubling" situation for tablet makers such as Samsung Electronics Co., which makes the Galaxy line.

When a software-supplying partner turns around and puts out its own hardware product, "is that a partner or an enemy?" Orr asked.

Orr also questioned whether Google's strategy of pricing the tablet low is really going to win it any fans in the long term. Apple, he noted, dominates the tablet market with a product that's expensive but works well.

There are already other Android-powered tablets on the market, but none have proven nearly as popular as the iPad or Kindle Fire. That has raised worries at Google as more people rely on tablets to surf the Internet.

For Google, advertising dollars are at stake. If Apple retains its dominance and other players such as Amazon and Microsoft gobble up the rest of the sales, they could set up their operating systems in ways that de-emphasize Google's Internet search engine and other services. Apple develops its own system, while Amazon modifies Android for use in Kindles. Microsoft's will run on a new version of Windows.

Apple already has announced that the next version of the iPad operating system will abandon Google's digital maps as the built-in navigation system. That shift could cause neighborhood merchants to spend less money

advertising on Google.

The iPad currently has about 68 percent of the tablet market, according to Forrester Research. The research firm expects the increasing competition to whittle the iPad’s share to 53 percent in 2016, with Android-powered tablets at about 30 percent and Windows tablets accounting for the remainder. Forrester predicted 760 million tablets will be in use by 2016.

"Google’s user base for music, books, and movies is not nearly as strong as Apple or Amazon, so it will take time to build a strong customer base" for the Nexus 7, predicted Forrester analyst Frank Gillett.

He also said the Nexus 7 and other Android tablets are at a disadvantage because computer programmers still haven’t built as many compelling applications for that platform as they have for the iPad.

In another expansion into consumer electronics, Google also announced a home entertainment device called Nexus Q that is similar to Apple TV, a small box that can stream music and movies over Internet connections. The Nexus Q sends content from your personal collection or YouTube to your existing TV and speaker systems. You control it through a separate Android phone or tablet.

The Nexus Q, which Google is calling the world’s first "social streaming device," will be available in July in the U.S. initially and sell for $299. Apple TV currently sells for just $99. Other Internet-streaming devices, such as the Roku, that connect to TVs sell for even less than that.

The Internet-connected glasses that Google demonstrated won’t be cheap either, although Brin told reporters Wednesday that the company plans to charge consumers significantly less than the $1,500 that developers had to pay for prototypes. The glasses, which Google is calling Project Glass, probably won’t be released to the mass market until early 2014, Brin said.

"It’s not a commodity product," Brin said. "We view this as a premium sort of thing."

Google began developing the Internet-connected glasses in a secret research lab more than two years ago and announced what it was working on in April. Wednesday’s presentation marked the first extended demonstration of how the glasses might work.

Also on Wednesday, Google unveiled a new search tool to help you get the right information at the right time on your mobile device. Called Google Now, the tool will be part of Jelly Bean, which will be available in mid-July. Some devices, including the Galaxy Nexus, will get the upgrade automatically over the air.

With Google Now, if you say "traffic," for example, it will look at your usual commute to work and show you alternative routes if there’s a lot of traffic. It will tell you the scores of your favorite sports teams automatically, and it will keep you up to date on flight statuses if you are flying somewhere.

The feature bears resemblance to the Siri virtual assistant on Apple’s iPhone.

Jelly Bean will also come with the ability to share photos by tapping two phones together.

The Difference Between ’Like’ and ’Want’ on Facebook

With word that Facebook is testing a ’want’ button to add to its stock of verbs, we got to wondering: How can we choose between the old standby "like" and its not so distinct brother "want"? The developer who discovered the ’want’ in the Facebook Javascript SDK as the XFBML tag <fb:wants>, says the button will only appear along with things marked as "products." But that doesn’t narrow things down too much. Sure, that eliminates photos or news articles, but what about the slew of Pages that advertise things we can buy, like Starbucks, or the specific ads for products that show up on the side of our feed. (Like lube.) Facebook has not confirmed the feature or given details about how it will work. "We’re always testing new Platform features, however we have nothing new to announce," a spokesperson told us via e-mail. But what makes something "want"-able as opposed to just "like"-able?

We can kind of figure this out via process of elimination. If we have to choose, we will use the "want" button for the desires for which we don’t use "like." So, first let’s see what makes us "like" something.

For jokes. Sometimes we ’like’ things because we want to show our friends how silly and ironic we can be. Like that guy who liked a big-ole tub of personal lubricant. He didn’t do it to prove how much loves large quantities of lube, or tell the world they should get in on this great deal. He did it as a joke.

As an actual endorsement. Starbucks has 30 million ’likes’. Some of those must come from Starbucks enthusiasts telling the world they ’like’ a product. Plus The New York Times found one person who likes things in a literal way. "People who value my opinion can take my word and check out what I have liked. I like to see who in my social network is interested in the same stuff as I am, and vice versa," Denzie Batulan told the Times. Batulan can’t be alone.

A forced endorsement to get something free. Sometimes companies offer deals for people who ’like’ things.

Just to show the world your interests. Some people just ’like’ things to create an Internet persona, but would prefer not describe this as an endorsement. Likes have turned into a lazy-person’s replacement for the interests section. No need to fill anything out, just ’like’ things!

So what does that leave for ’want’? We have some ideas.

An intention to buy. See some garment floating around the News Feed that looks fun? ’Want’ it. Kind of like pinning on Pinterest, we’ll save products for later. Our Facebook ’wants’ will read like a virtual shopping cart.

Want but can’t have. Want has a different meaning on the Internet than like. It’s a meme on its own. Take this Atlantic headline, for example: "Want: This Tiny Personal Submarine." We use the term to indicate a sort of unattainable want.

Also for jokes. Like all things on the Internet, things turn ironic pretty fast. Soon we’ll get clever and start ’want’-ing big vats of lube and As Seen on TV products.

Like we said, Facebook hasn’t confirmed the button. But considering the possible revenue the button could bring into the in-need-of-money social network, we can understand why they might ’want’ it.

Red Hat CEO Is Ready To Squash Microsoft, VMware, and Oracle

Jim Whitehurst, CEO of Red Hat has some fighting words for old-school software makers like Microsoft, VMware and Oracle.

He wants them gone. Or at least, he wants their closed, proprietary software outta here.

Now that Red Hat has become the first and only pure open-source company with a billion dollars in annual revenues, his goal is the death (more or less) of proprietary software.

"We got to a billion dollars by convincing the world that open source is a viable alternative to traditional proprietary software," Whitehurst told Business Insider. "The next step is to make open source the default choice in this next generation of computing. That's what takes us from $1 billion to $5 billion and beyond."

Open source lets software users make changes and freely share the software with others. Companies that sell old-fashioned software licenses don't let users do that.

He says his dream of a fully open-source enterprise world is not as crazy as it sounds. It's already happening for Web startups. Plus, "the Amazons and Googles and Facebooks and Twitters are all running open source" he adds.

And by open source, he doesn't mean Red Hat. This is "broader than Red Hat," he says.

With open source, customers help build the software. For instance, Google tweaks the software so it works for their data centers. That means it will certainly be good enough for the average enterprise trying to build its own cloud.

Facebook Forces All Users Over to @facebook.com E-mail Addresses

If you are on Facebook but have never taken a particular shine to Facebook's e-mail capability, Facebook is intent on changing your mind. As of Friday, the company seems to have quietly given or replaced the display e-mail addresses of all of its users with an @facebook.com address, routing any e-mail communiques you would have received back to its own Messages inboxes.

Facebook began its jaunt as an e-mail service in November 2010, when it started allowing users to make @facebook.com addresses and receive conventional e-mails addressed there in their messages inboxes. The service was intially hailed as a Gmail replacement, but caught on about as well as Facebook Gifts and Facebook Places (both of which are dead, in case you were wondering). Gervase Markham noted in a blog post on Friday that his display e-mail address, formerly a personal one, had been changed to an @facebook.com address without any action on his part.

You can change your e-mail back, if you want. By the way, congrats on your new Facebook e-mail address.

If you find your display e-mail has been hijacked by a facebook.com domain, fret not; a quick edit of the settings will let you restore a personal e-mail address (edit Contact Info, then select the facebook.com email to be "hidden from timeline." Select another to be "shown on timeline," if you desire). Security researcher Ashkan Soltani points out a choice phrase from Facebook's post announcing the addresses in November 2010: "We are also providing an @facebook.com email address to every person on Facebook who wants one." And everyone else, apparently. Facebook has provided the following statement on the change:

As we announced back in April, we ve been updating addresses on Facebook to make them consistent across our site. In addition to everyone receiving an address, we re also rolling out a new setting that gives people the choice to decide which addresses they want to show on their timelines. Ever since the launch of timeline, people have had the ability to control what posts they want to show or hide on their own timelines, and today we re extending that to other information they post, starting with the Facebook address.

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